

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1555 - HB 1711

April 2, 2009

SUMMARY OF BILL: Requires, upon passage of the Certified Administration Professional (CAP) examination, a two-step salary advancement for administrative assistants employed by the state and a nine percent salary increase to employees of public institutions of higher education. Such increases are granted only if funds have been specifically appropriated in the general appropriations act for that fiscal year.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$2,116,300/FY09-10
\$2,017,500/FY10-11 and
Subsequent Years**

**Increase Federal Expenditures - \$197,500/FY09-10
\$131,700/FY10-11 and
Subsequent Years**

Assumptions:

- According to the Department of Human Resources (DoHR), there are currently 6,240 state employees in classifications that could be considered administrative. In FY07-08, there were 60 (9.2 percent) employees who received a two-step increase for passing either the Certified Professional Secretary (CPS) or Certified Administrative Professional (CAP) examinations.
- If a state employee has previously passed the CPS examination they would be able to take one section (Section 4) of the CAP examination for the additional certification. This will cause an increase in employees who will take the examination.
- The Department estimates that the number in the first year of implementation would be three times last year or 180 state employees. This estimate includes those persons who passed the CPS examination who will want to sit for the CAP examination. The increase in expenditures as a result of the employees passing the CAP examination is estimated to equal \$493,797. The Department further assumes a

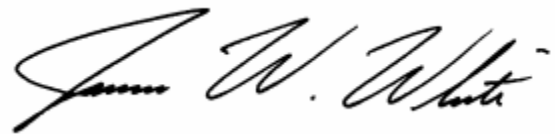
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60/40 percent split in costs between the state and federal or other funds for a estimated increased state expenditures of \$296,278 and increased federal expenditures of \$197,519 in the first year.

- For the second and subsequent years, the Department estimated the number would be 120 state employees who would participate and qualify for the two-step increase for an estimated total of \$329,198. The increase in expenditures to the state, considering the 60/40 percent split with federal or other funds, would be \$197,519 with federal expenditures totaling \$131,679.
- According to THEC, an additional 650 employees in the UT and TBR systems would be eligible for this increase in salary with a cost of \$2,800 per employee for an estimated increase in state expenditures of \$1,820,000 (650 x \$2,800).
- Total increase in state expenditures in FY09-10 is estimated to equal \$2,116,278 (\$296,278 DoHR + \$1,820,000 UT and TBR).
- Total increase in state expenditures in FY10-11 and subsequent years is estimated to equal \$2,017,519 (\$197,519 DoHR + \$1,820,000 UT and TBR).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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